

ETF Masterclass: Tools for Modern Asset Management

Synopsis:

The global ETF market has surged past USD 18 trillion, reshaping how investors access markets, manage portfolios, and express investment views. In this Masterclass, industry experts will unpack what's driving this phenomenal growth, explore the evolving dynamics between active and passive investing, and examine how Factors and Thematic strategies are redefining indices.

Whether you represent a sovereign wealth fund, pension fund, insurer, private bank, or asset manager, this session will equip you with the knowledge to navigate today's sophisticated ETF landscape with confidence.

Key themes of the Masterclass:

- **ETF Market Growth & Investor Adoption:** What's driving the \$18 trillion ETF market and why investors are embracing ETFs.
- **Flows & Trends:** Which asset classes, regions, countries, sectors, and factors, are attracting the most inflows / outflows.
- **Evolution of Index Investing:** From “plain vanilla” benchmarks to Factors and Thematic indices; blurring lines between active and passive.
- **Investor Use Cases:** How various investors (sovereign and pension funds, insurers, private banks, family offices, asset managers) utilise ETFs for Core and Tactical allocations, Interim Beta, and Liquidity management.
- **ETF Selection beyond Size and Fees:** What are the key factors to consider when selecting an ETF — index design, domicile and tax implications, replication strategy, tracking quality, trading cost.
- **Performance & Alpha:** Can ETFs outperform their benchmarks? Understand the drivers of alpha, tracking difference vs. tracking error, and premium/discount dynamics.
- **Physical vs Synthetic ETFs:** When does synthetic ETF makes sense? What are the counterparty risks, how they are mitigated, and regulatory safeguards for investors.
- **Liquidity & Execution:** How can investors trade large sizes beyond the trading volume on exchange?

Trainers:

- Ogar Widjaja, Head of Xtrackers Sales, South-East Asia
- Jonathan Shyong, Vice President, Xtrackers Coverage Specialist

Facilitator:

- Chua Shao Jun, Xtrackers Coverage Analyst

Lesson Plan:

| No. | Details | Time allocation |
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| 1 | <p>Introduction: The ETF Market Landscape</p> <ul style="list-style-type: none"> • Overview of the ETF Industry: Growth and Trends • Understand the key benefits of ETFs; ETFs vs Active Mutual Funds, Index Mutual Funds and Direct Securities Investing. • How investors are using ETFs for core, tactical and transition / liquidity management. <p>Trainer: Ogar Widjaja, Head of Xtrackers Sales, South-East Asia</p> | 15 mins |
| 2 | <p>Practical Guide to ETF Selection</p> <ul style="list-style-type: none"> • How to compare and select ETFs with real ETF examples <p>Trainer: Jonathan Shyong, Vice President, Xtrackers Coverage Specialist</p> | 30 mins |
| 3 | <p>Case for Synthetic ETFs</p> <ul style="list-style-type: none"> • Understand UCITS ETF Replication • Evaluate Synthetic Replication Advantages: Assess benefits including easy access to markets, low tracking error, and swap-based performance enhancement • Assess Synthetic ETF Risks & Protections: Examine counterparty risks and mitigation measures such as multi-counterparty setups, high collateralisation levels, and high-quality collateral requirements • Apply Case Studies: Evaluate practical applications of swap ETFs tracking S&P 500, CSI 300, and MSCI India indices for investor portfolios | 20 mins |

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| | <ul style="list-style-type: none"> • Compare Investment Vehicles: Contrast swap ETFs against physical ETFs, structured products from investment banks, and direct swap contracts to determine optimal solutions for different investor needs <p>Trainer: Ogar Widjaja, Head of Xtrackers Sales, South-East Asia</p> | |
| 4 | <p>ETF Trading and Liquidity Analysis</p> <ul style="list-style-type: none"> • Master ETF Liquidity Layers: Understand the three-tier liquidity structure—exchange-traded (on-exchange), over-the-counter (OTC), and underlying market. • Evaluate True ETF Liquidity: Analyse the liquidity of ETFs using real-world ETF examples. • Navigate the ETF Ecosystem: Map interactions among brokers, authorised participants (APs), and ETF issuers in the primary creation/redemption process • Diagnose Premiums/Discounts to NAV: Identify causes of premium and discounts to NAV in ETFs. <p>Trainer: Ogar Widjaja, Head of Xtrackers Sales, South-East Asia</p> | 15 mins |
| 5 | Q&A & Closing | 10 mins |